



DOCKET ITEM #10-A

North Potomac Yard Small Area Plan

MPA #2010-0002 North Potomac Yard Small Area Plan

Application	General Data	
<u>Project Name:</u> Master Plan Amendment to create the North Potomac Yard Small Area Plan <u>Location:</u> 3601 Jefferson Davis Hwy - Route 1 and 3601 Potomac Avenue <u>Applicant:</u> City of Alexandria, Planning and Zoning	PC Hearing:	May 4, 2010
	CC Hearing:	May 15, 2010
	Site Area:	+/- 69.07 acres
	Zone:	CDD#10 – Potomac Yard/Potomac Greens (CDD#2008-0004)
	Existing Small Area Plan:	Potomac Yard/Potomac Greens (last update: 2008)
	Existing Height District:	#10 - Current CDD Zoning: SAP Map 24 (77' max, most 50' or below)

Purpose of Application
To amend the City's Master Plan to create the North Potomac Yard Small Area Plan.

Staff Recommendation: APPROVAL
Staff: Valerie Peterson, valerie.peterson@alexandriava.gov



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I. OVERVIEW

The North Potomac Yard Plan (Plan) provides a framework for economic success, physical growth, design excellence and environmental sustainability for the next 20 to 30 years for one of the largest redevelopment parcels in the city and the region. As the Plan is implemented, this area will be an economic engine for the City, expand our parks and open spaces, and improve and expand our transit systems, with the creation of a new Metrorail station and dedicated transit. The planned Metrorail station will be only the second infill station since the commencement of the Metrorail system in 1976, and with it comes considerable financial and economic development policy questions for the City. The Plan's vision states "*The Plan envisions North Potomac Yard as an environmentally and economically sustainable and diverse 21st Century urban, transit-oriented, mixed-use community that is compatible with adjacent neighborhoods. The Plan seeks to create a regional destination with diverse building and natural spaces where people want to spend time in a wide variety of pursuits.*" The vision was created by the Potomac Yard Planning Advisory Group (advisory group) with input from the community, and guided the content of the Plan. The attached letter from the chair of the advisory group discusses the planning process, and the key issues identified by the group. The planning process also involved developers, residents, federal agencies, Arlington, and WMATA.



Figure I: North Potomac Yard and Context

A. *The Need for a Plan Now*

The existing 600,000 square foot shopping center was approved in 1995 and was envisioned to be an interim use until the site could be redeveloped in an urban manner more consistent with what is planned for the remainder of Potomac Yard. Many of the leases for the retail shopping center expire in 2017. While the existing zoning approvals do not require the center to redevelop, the property owner has expressed a desire to eventually redevelop the property over a long-term period. The existing CDD zoning

limits development to 600,000 square foot, therefore, any additional density for the site requires revising the Master Plan and zoning.

In September 2009, the City began a proactive planning process in anticipation of future redevelopment, including the complex infrastructure that would be needed for potential redevelopment of the site, including the provision of a new Metrorail station. If the Small Area Plan and subsequent rezoning are approved the construction of the Metrorail station is projected for completion in 2016 (which is contingent upon applicable Federal and State approvals as well as financing). Therefore, the approval of the Plan and subsequent rezoning would allow the City to pursue the necessary approvals to complete the complex process of obtaining the necessary approvals and designing a Metrorail station in a timeframe which coincides with the projected expiration of the leases and potential redevelopment of the site.

B. Next Steps

A rezoning and CDD concept plan for the site are currently scheduled for the June 2010 Planning Commission and City Council hearings, which will also include Urban Design Standards, a transportation management plan special use permit, and a request for street naming. As a separate and new Small Area Plan and future new CDD zoning, this Plan represents the next evolution of coordinated development in Potomac Yard, as envisioned by the original Potomac Yard/Potomac Greens Small Area Plan and CDD.

II. PLANNING AND POLICY ISSUES

The staff report summarizes the key planning and policy issues, which include:

- Plan Concept—Land Use
- Metrorail Station and Financing
- Development Phasing
- Transportation
- Sustainability—Economic and Environmental
- Affordable Housing
- Community Facilities
- Wastewater Management

A. Plan Concept—Land Use

The Plan calls for a walkable grid of streets with local and regional connections for multiple transportation modes, a series of vital open spaces, sustainability practices integrated throughout the plan area, affordable housing, and premier contemporary design and architecture. Connectivity for pedestrians, bikes, transit and vehicles is a fundamental theme of the Plan. The desire for connectivity resulted in block sizes of approximately 300 feet by 350 feet, which is comparable to the block sizes of Del Ray

and Old Town. Once the street grid was established, possible heights were discussed by the advisory group. The heights are based on the following:

- Define open space, streets and the public realm;
- Maximize density in proximity to the Metrorail station;
- Provide smaller scale buildings on Route 1 adjacent to the lower scale established neighborhoods of Lynhaven and Del Ray to the west;
- Provide taller buildings in the central portion of the site to provide transitions to the existing neighborhoods to the west and the George Washington Memorial Parkway to the east;
- Provide taller signature buildings at the central portion of the site to denote the symbolic center of North Potomac Yard and at the visual terminus of Main Line Boulevard on the northern portion of the site;
- Use taller and shorter heights to demarcate the required gateways; and
- Provide a variety of heights within each block and for individual buildings.

Height is limited by the Federal Aviation Administration (FAA) flight path restrictions for a portion of the site due to the proximity to the Ronald Reagan Washington National Airport. In addition, standards regarding the height and design of the buildings will be approved as part of the rezoning (see attached draft of the design standards). Staff has been coordinating with the National Park Service to minimize impacts on the adjacent George Washington Memorial Parkway.

Proposed Land Use

The Plan maximizes density to take advantage of the proximity to the dedicated transit corridor and Metrorail station, while also achieving the core objectives of urban form, livability, and sense of place (see Table I).

Table I: Development Comparisons

	North Potomac Yard (proposed)	PY Landbays G & H	Carlyle	East Eisenhower	PY Arlington	Crystal City (proposed)**	Clarendon	Shirlington
<i>Land Area</i>	69.07ac	32.5 ac	76.5 ac	155 ac	45 ac	260 ac	undefined	25 ac
<i>Office</i>	+/-2,200,000*	1,522,085	3,988,946	4,400,000	2,106,876	16,073,254	939,804	530,395
<i>Retail</i>	930,000	189,430	258,850	220,000	225,058	1,513,311	517,911	277,460
<i>Hotel</i>	170,000	440,744	230,000	300,000	430,000	5,141,080	-	-
<i>Residential</i>	+/-4,200,000*	232,000	2,024,704	3,100,000	1,697,901	16,890,502	2,422,000	2,242,000
<i>Other</i>			404,500				331,116	
<i>Total</i>	7,525,000	2,384,259	6,907,000	8,020,000	4,459,835	39,618,147	4,210,831	3,049,855

*Note: *Development square footage derived based on occupancy with the goal of a balance of jobs and housing. Final development square footage to be determined through the DSUP process.*

***Crystal City currently has 24.7 million square feet of development with Arlington County considering adding an additional 14.9 million square feet, for an eventual total of 39.6 million square feet of development.*

Land uses are proposed to be generally mixed throughout the plan area to minimize vehicle trips and maximize walkability, transit use, and street activity through daytime and evening hours (see Figure II). Much of the proposed office use will be located adjacent to the Metrorail station (dark blue). Locating office near the station maximizes transit use because office users are generally less likely to walk longer distances to transit

Figure II: Land Uses



Note: Public buildings/Community facilities will be permitted within any of the blocks subject to a DSUP.

than residential users. Office uses will also compliment the planned office uses within Landbays G and H. Primarily residential uses will be located at the north end of the site to maximize access to Four Mile Run and views (yellow). Retail is concentrated in the central and eastern portion of the site to provide convenient access to all users, and will connect to the retail planned in Landbay G, as well as to the planned Metrorail station (red).

The Plan requires approximately 1,700,000 square feet of office adjacent to the Metrorail station (blue), and approximately 1,100,000 square feet of residential adjacent to Four Mile Run. The remaining 3,400,000 square feet may be *either* office or residential (orange). The intent of the Plan is to provide this flexibility to allow the development to respond to market conditions, with the goal of ultimately allocating the uses and square footage to achieve a balance of jobs and housing throughout the plan area. As discussed in the Plan, staff

anticipates that the plan area will likely have two or three times more residential development square footage than office in order to achieve a balance in occupancy. Occupancy within the city is approximately 3.5 individuals per 1,000 square feet for new office use, and an average of 1.8 individuals per 1,000 square feet of existing multifamily residential use. Using these figures, the total development square footage would be approximately 2,200,000 square feet of office use, and approximately 4,200,000 square feet of residential use. The final amount and allocation of square feet will be determined as part of the subsequent rezoning and DSUP processes.

Retail Location and Management

The planned retail permits approximately 930,000 square feet or approximately 300,000 square feet more than the amount of retail within the existing shopping center. Retail is an integral part of the development and land uses, and the Plan envisions a significant retail center for the City and region. The attached retail study found that the market can support the planned retail use. (See Table II).

Table II: Retail Comparisons

Regional Retail	+/- Square Feet
Ballston	600,000
Pentagon Mall	1,500,000
Clarendon Commons	400,000
DC.USA—14 th Street	540,000
Neighborhood Retail	+/- Square Feet
Shirlington	200,000
Pentagon Row	300,000
Silver Spring	400,000

The planned retail will be a regional destination, which will enable Alexandria to better compete with other retail centers in the region, recapture resident retail spending that occurs in surrounding jurisdictions, and provide amenities for future Potomac Yard residents and employees.

The Plan requires retail uses in certain locations based on connectivity, critical mass, and convenient access. It is important that retail be concentrated and retail anchors be located in strategic locations relative to the planned retail for Landbay G and the planned Metrorail station. Main Line Boulevard has traditionally been discussed as one of the retail shopping streets in Potomac Yard. However, the planned location of the Metrorail station necessitates revising the retail planned for Main Line Boulevard to better connect to the Metrorail station. The two access points planned for the Metrorail station will direct pedestrian activity to the primary east-west retail

Figure III: Retail Locations



streets of E. Reed and E. Glebe. These streets will be connected by the retail street labeled as “Street D” in the Plan.

In addition, the Plan emphasizes the importance of marketing, maintenance, tenant mix, and leasing. In order to address all of these issues comprehensively, the Plan requires that a strategy be provided, to include a retail marketing and leasing and common management strategy.

B. Metrorail Station and Financing

The Transportation Master Plan states: *“The City expects that any amendment to the Potomac Yard/Potomac Greens Small Area Plan which results in an increase in density beyond what is currently approved will include reasonable provisions to address the development of and funding of an additional Metrorail Station.”* The technical feasibility of a Metrorail station was analyzed concurrently with the planning process, to evaluate issues of constructability and cost. A separate Metrorail Station Feasibility Work Group was established to analyze financial tools and impacts, examine concept refinement and station constructability issues, and evaluate ridership estimates. The findings of the analysis are found in the attached *Potomac Yard Metrorail Station Concept Development Study*. While numerous locations were evaluated, the study found three potential station locations that should proceed to the environmental analysis phase, shown in Figure IV as the A and B2/B3 alternatives, and a no-build alternative.

Figure IV: Metrorail Station Location Alternatives



Role of the Metrorail Station

The planned Metrorail station is the keystone piece of transportation infrastructure to support the proposed level of development. Concentrating both jobs and housing (and retail uses) near the Metrorail station reduces auto travel, especially with respect to the adjacent planned office. Based on the planned density and land uses, the estimated ridership was projected and is shown in Table III.

Table III: Ridership for Potomac Yard Alternatives and Comparison Stations—Weekday Boardings

Station	2009 Actual	2030 Estimated
Alternative A	--	12,600
B Alternatives	--	15,900
Pentagon City	15,674	21,400
Ballston	12,314	20,600
Bethesda	10,255	14,500
Friendship Heights	9,090	13,100
King Street	8,976	13,000
Virginia Square	4,253	7,600
Clarendon	4,254	7,300
Eisenhower Avenue	2,359	5,400
Braddock Road	4,481	5,300

Potential Metrorail Station Financing

The planning, financing and conceptual design feasibility of a new Metrorail station was evaluated extensively as part of the planning process as described in detail in the attached *Potomac Yard Metrorail Station Concept Development Study*. This study estimated the costs of constructing the alternatives (with a 2015 construction midpoint) at between \$190 million and \$270 million. For the purposes of the analysis, a mid-range cost of \$240 million has been assumed. If station construction costs would be more than this, a new financing plan would need to be developed before the station construction could be undertaken. A conservative 30-year build out is also assumed.

It was conservatively assumed in this analysis that there would be no federal or state aid available to assist with funding the Metrorail station, although it is probable that some to-be-determined amount of federal transit aid (no more than \$25 million is likely) will be available, and there would be some amount of State transit capital aid available in an amount to be determined.

In the early financial modeling that was undertaken in May 2009, it was clear that although when Potomac Yard is fully developed the new tax revenues generated by Potomac Yard could support debt service on a \$240 million Metrorail station, in the early years of the financing, well before the full build out of Potomac Yard could generate significant increased tax revenue, that a significant funding gap of some \$75 million would exist. A rethinking of the financing then determined that if construction interest was amortized and repayment of bond principal gradually phased in that the upfront funding gap could be significantly reduced. As a result of this structural change in the bond financing, the bond amount of the Metrorail station increased by \$35 million when adding in interest capitalization and related costs from \$240 million to \$275 million. This increased the total projected borrowing, but greatly reduced the funding gap in the early years.

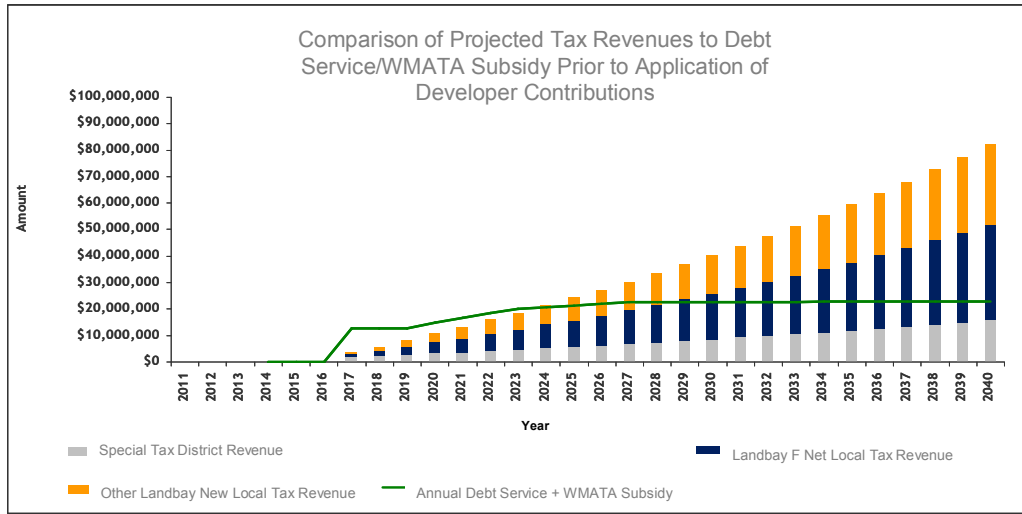
The key financing elements that were contemplated prior to the negotiations with RREEF who represents the institutional investor owners of Landbay F (North Potomac Yard) were the following elements:

1. Net new tax revenues generated from all Landbays in Potomac Yard (except Landbay L which is near the Braddock Metrorail station). The definition of “net new tax revenues” are gross tax revenues (real estate, sales, meals, transient occupancy, business license, and business tangible taxes) less the amount estimated needed to serve the residents and businesses in Potomac Yard. This means setting aside 60% of new residential taxes, 17% of new office taxes, 13% of new retail taxes, and 6% of new hotel taxes to pay for City and School services, and then applying only the net remaining tax balances to the Metrorail station financing. This means that a significant portion of increased taxes due to increased assessments and new construction will go towards financing the Metrorail Station.
2. The creation of two special tax districts in Potomac Yard is proposed (Tier I and Tier II). In 1999 when Potomac Yard plans were approved, the creation of a special tax district was envisioned as a method of financing a Metrorail station. It is proposed first that a higher density tax district (Tier I) with a 20-cent add-on real estate tax rate be created for Landbays F, G, H and the multifamily part of I. This Tier I district is proposed to be established in 2011 so as to generate revenues that will be needed to undertake planning, design and environmental studies of the Metrorail station.

A second Tier II special tax district with a 10-cent add on rate would be comprised of general lower density uses, and is proposed for Landbays I, J and A (Potomac Greens). This second district is proposed to also be created in 2011, but with a zero tax rate. A 10-cent add-on tax rate as proposed would not be implemented until the Metrorail station opened in 2016. While Potomac Greens, which was part of the 1999 Potomac Yard development, was envisioned to have special tax district applied to it, Old Town Greens was approved prior to 1999 and is not envisioned to be part of any special tax district.

The net new tax revenues and special tax district revenue projections when applied to the proposed \$275 million financing, narrowed the funding gap (based on January 2010 projections) from \$75 million to \$32 million. This gap as projected at that time is depicted in Figure V.

Figure V: Preliminary Analysis (January 2010)



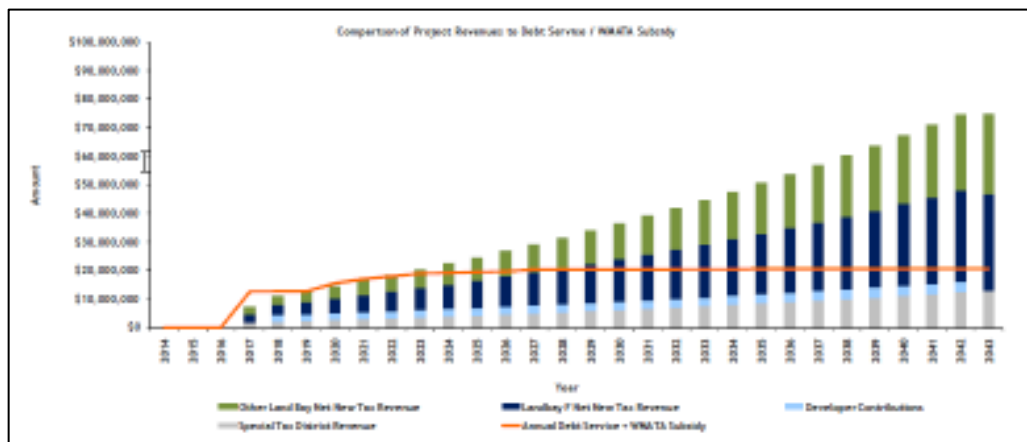
At the joint City Council and Planning Commission work session on February 23, 2010 staff was instructed to docket the North Potomac Yard Small Area Plan only if a firm funding strategy had been developed. Such a strategy has been developed and the basic structure of an agreement reached with RREEF in regard to developer contributions towards the proposed Metrorail station. The key elements of the agreement are:

1. The developer of Landbay F will pay at the time of occupancy \$10 (in 2010 dollars) for each square foot of development within about a quarter-mile of a Metrorail station. The \$10 per square foot would then be inflation indexed so it maintains its economic value during the build out period of Landbay F. This will result in a payment over time as development occurs in 2010 dollars of \$49 million.
2. The developer of Landbay F would provide a shortfall guarantee of up to \$32 million to be available in the early years of the development to cover any gap between the cost of Metrorail station debt service and station operating costs when compared to the sum of net new tax revenues, special tax district tax revenues and developer contributions. This shortfall guarantee would be paid in annual increments of up to \$10 million. Any amount of the shortfall guarantee not drawn down for debt service would be paid to the City at a later date to finance other public capital benefits related to Potomac Yard.

When aggregating all the projected revenue sources (net new tax revenues, special tax district revenues, and developer per square foot contributions and developer shortfall guarantee), the Metrorail station funding gap becomes closed, and the City's General Fund starts to receive an inflow of new tax funds starting about the year 2022. Over a 30-year period, this net inflow gain to the City's General Fund would total over \$400 million, as this project would add about 10% to the City's tax base. The following chart below shows how the developer contribution (as well as pre-Metro construction in non-

Landbay F parcels) has substantially closed the \$32 million gap. The balance of this gap of about \$9 million would be closed with the draw down of a portion of the shortfall guarantee from the owner of Landbay F (see Figure VI).

Figure VI: April 2010 Analysis



Financing a Metrorail station in Potomac Yard with the issuance by the City of \$275 million in City issued bonds will have consequences for the City's debt management policies. Historically the City has maintained highly conservative debt targets and limits, and therefore has kept its debt burdens low. *With the issuance of \$275 million in bonds, the City would be increasing its projected debt ratios by about 50% and move the City from a low debt locality to a much higher debt locality.* Such an increase during the first ten or fifteen years of the borrowing would tend to temper the City issuing debt for some capital projects not currently in the City's capital plans. Also, it should be noted that while the adoption of this North Potomac Yard Small Area Plan indicates plans and intent, the City would not be binding itself to issuing this debt, and that any up-zoning of Landbay F would be contingent and triggered on both: (1) the award of a station construction contract, and (2) the issuance of sufficient bonds to finance the construction of the station. Such a trigger would be exercised by City Council at the time (currently projected to be the year 2014) both of these events occurred.

This Metrorail station proposed funding plan is subject to review and concurrence by the major New York bond rating agencies (for which meetings are planned later this spring). The City would not proceed with this proposed Metrorail financing if it meant that its top AAA/Aaa bond ratings were put in jeopardy. The City does not expect objections from the bond rating agencies, as the rating agencies understand that investment in heavy or light rail transit to trigger transit-oriented development is one of the most sound sustainable investments a locality can make for its long-term future.

Development Phasing

Development phasing is not a component of the Plan. However, development phasing will be a necessary recommendation as part of the subsequent CDD zoning application tentatively scheduled for the June 2010 public hearings. The property owner has requested the ability to allow some development in advance of the Metrorail station. Staff believes it may be reasonable to allow some limited amount of development in advance of the Metrorail station, provided that the development is consistent with the intent of the Plan. Staff is recommending that any phased development be subject to performance standards, including:

- Phase I – Development Preceding the Metrorail Station—Up to 2,000,000 square feet (inclusive of the existing retail center) may apply for approval if in contiguous increments, of which 50% must be office, only within a ¼ mile of the Metrorail station, and in accordance with North Potomac Yard Small Area Plan.
- Phase II – Development Concurrent with Metrorail Station Construction—Up to 3,700,000 square feet (inclusive of the existing retail center) may apply for approval, of which 50% must be office, once the bond for the station has been issued and station construction has commenced, only within a ¼ mile of the Metrorail station, and in accordance with North Potomac Yard Small Area Plan.
- Phase III – Development Once Metrorail Station is Operational—After 4,900,000 square feet have been developed within a ¼ mile of the Metrorail station (inclusive of the existing retail center), and the station is operational, the remaining planned development in all other portions of North Potomac Yard may apply for approval in accordance with the Plan.

The issue of development phasing will be more thoroughly discussed, including a proposed recommendation, as part of the forthcoming rezoning application.

C. Transportation

A comprehensive multimodal transportation analysis was conducted for the proposed development in the plan area. The analysis assumed an urban percentage of transit ridership, an aggressive Transportation Management Plan (TMP) and the following transportation infrastructure in place by 2030:

- Potomac Yard Metrorail Station
- Crystal City/Potomac Yard (CCPY) Transitway
- Local and Circulator Transit Service
- Potomac Avenue
- Fine-Grained Internal Street Network
- New Commuter and Recreational Bicycle/Pedestrian Facilities

The findings of the transportation study revealed the following constraints:

- Limited east-west connectivity
- Limited bike and pedestrian facilities
- Future congestion on roadways
- Constrained intersections including:
 - Route 1/E. Reed Avenue
 - Route 1/E. Glebe Road
 - Route 1/Potomac Avenue

Throughout the planning process, staff worked with the advisory group and transportation subcommittee of the advisory group to review the transportation study findings and analysis. The transportation study indicates that even without the proposed density, traffic on Route 1 will get dramatically worse. The advisory group found that if the capacity of Route 1 was going to be used, it should be used by development in Alexandria which could also provide needed amenities.

Route 1 is not planned to be widened for cars. To create additional capacity, the 1999 CDD approval for Potomac Yard requires Potomac Avenue to be constructed as a north-south roadway to parallel Route 1. The dedicated high-capacity transit corridor is a necessary infrastructure investment for North Potomac Yard. The City has received a Federal grant of \$8.5 million, which will partially fund the construction from E. Glebe Road to Monroe Avenue. The remainder of the transitway (from E. Glebe to the Arlington County boundary) will be required as part of the rezoning of North Potomac Yard. Design vehicles for the transitway will be determined as future studies are completed, and coordinated with Arlington County. It is anticipated that (See Figure VII for route of high-capacity transit corridor).

Figure VII: High-Capacity Transit Corridor



East-West Traffic and Neighborhood Impacts

The traffic issue that garnered the most discussion during the course of the planning process was the impact of east-west traffic on neighborhoods, and strategies to protect the character of adjacent neighborhoods. The current design characteristics of neighborhood streets west of Route 1 are optimal to keep speeds low, while maximizing pedestrian and bike connectivity with a grid of streets and smaller block sizes. However, additional tools should be employed to reinforce and protect this character, and could include treatments at the neighborhood entrances off of Route 1, traffic circles, and other devices at strategic locations. The Plan includes recommendations to implement a neighborhood protection plan to be in place with the earliest phases of development. In addition, with the subsequent rezoning, staff will be requiring the implementation of a neighborhood traffic calming plan.

The key to managing the east-west traffic movement is connectivity. Less connectivity pushes more traffic to fewer streets. More connectivity better distributes traffic without overburdening any one street. The transportation study assumed that S. Glebe, E. Reed, E. Glebe, and Monroe will be the primary east-west streets for Potomac Yard traffic, including local trips. The total east-west PM peak trips on the Alexandria streets could equal approximately one to three new eastbound cars per minute on each street, and one to four new westbound cars per minute on each street. The Plan recommends that E. Reed be opened to accommodate full movement, which will add considerably more trips on Reed.

Plan Recommendations

To address the issues of congestion, connectivity, and constrained intersections at Route 1 and Glebe, Reed and Potomac identified in the transportation study, the Plan recommends:

- Physical improvements at the intersection of E. Glebe Road and Route 1;
- New east-west connectivity or comparable street, circulation, and/or transit improvements, as part of any proposed development and any future planning efforts for properties to the west of Route 1;
- Maximize the street grid by configuring Reed Avenue at Route 1 to allow all movements;
- Study the intersection of Commonwealth and Reed Avenues to determine the need for signalization and pedestrian upgrades;
- Require the developer to implement a comprehensive traffic calming and parking management strategy for neighborhoods to the west; and
- Explore and evaluate the option of opening Evans Lane, Wesmond Drive and Lynhaven Drive in the future to provide access to Route 1.

D. Environmental Sustainability

Sustainability is a fundamental element of the Plan. The Plan is intended to require low-impact, high-performing development that will lead the region in environmentally responsible development requirements, while being economically sound. The Plan capitalizes on the inherent land, energy, and water-resource efficiencies of high-density, transit-oriented green development, thereby reducing the City and its residents' dependency on these increasingly scarce and costly resources.

The Plan recognizes the importance of district-wide, high-performance buildings, and district-scale water efficiency, all of which contribute to environmental and economic performance of the Plan. The building and site sustainability recommendations are highlighted specifically to reinforce the goal of the Plan to require innovative design solutions and progressive thinking to be a leader in the field of environmentally sustainable development.

- District-wide sustainability measures: Sustainability measures should be integrated in a coordinated and comprehensive manner supporting the City's environmental goal of new construction to be carbon neutral by 2030.
- Green roofs: New development will be required to provide green roofs.
- Stormwater Management: Stormwater is required to be integrated as part of the street and open space design to improve the site's hydrology to reduce runoff, improve water quality
- Water conservation: Rainwater collection systems, natural irrigation, greywater recycling, and green roofs.
- Green streets: Incorporation of sustainable and porous materials and integration of stormwater as part of the street design.
- Transportation: Comprehensive, multimodal transportation plan.

Consistent with these goals, the Plan recommends that the development achieve a minimum of LEED Silver or comparable, or the City's green building standards and requirements, whichever is greater, and plan area-wide sustainability through LEED-ND or comparable. In recognition of the rapidly evolving industry standards and technologies, the Plan requires the submission of a Sustainability Plan that would be updated with subsequent building development and phasing.

E. Economic Sustainability

In its October 2007 report, the Mayor's Economic Sustainability Work Group encouraged the development of the Potomac Yard Metrorail station, and locating mixed-use with primarily office at the station. Consistent with this recommendation, the highest concentration of office proposed in the Plan is located in the Metro Square Neighborhood adjacent to the Metrorail station, with a minimum of 1,710,000 square feet required. This development alone could generate nearly 6,000 new jobs. It is estimated that over a 30-

year period that North Potomac Yard will generate \$537 million in net new taxes. Note that the development square feet below for office and residential assumes the balance in occupancy as discussed earlier in the report.

Table IV: Development and Potential Jobs/Residents

	Development Sq. Ft.	Jobs/Residents (Occupancy)
Retail	930,000	1,860 jobs*
Office	2.2 million	7,600 jobs
Residential	4.2 million	(7,600 new residents)
Hotel	170,000	204 jobs

*Includes existing jobs.

As a regional destination, the Plan will create opportunities for new residents, shoppers, workers and tourists. The Plan also recognizes the need for fiscal responsibility for such a significant investment as a Metrorail station, and the benefit of a financing strategy that provides for shared risk with developer contributions.

F. Affordable Housing

The Plan recognizes that a successful urban community is one that creates housing opportunities for people of a variety of ages and incomes. The Plan broadly addresses the City's goal to secure a variety of types of affordable housing units and options (including public housing, affordable housing and workforce rental and sales units) as redevelopment occurs. Many of the Plan recommendations contribute to the creation of a diverse community, including the variety of uses, building types, open spaces, and multiple transportation modes.

The attributes that make the site desirable for affordable housing such as mix of use, proximity to a Metrorail station, community facilities, and adjoining parkland, also make it desirable for market-rate housing. In addition, because of the density of the blocks, the buildings and parking will be more expensive to build. While the provision of affordable, workforce and/or public housing present cost challenges, the Plan is recommending that a continuum of housing, to include all of these types, be provided on-site to enable the neighborhoods to be diverse, which is one of the seven principles of the Plan. Community comments regarding the specific provision for affordable housing will be addressed subsequent DSUPs (see attached community comments). The Plan recommends that the site be subject to the affordable housing policy at the time of development approval.

G. Community Facilities

Considerable land value will be created as part of the rezoning, and some of the added value should be used to create public amenities. Public amenities should be consistent with the vision of the Plan, and include community facilities such as a school, child care, and live performance theatre.

Community facilities are a critical component of a package of amenities to provide needed services, and to create a sense of place. The Plan encourages that a number of community facilities be considered as the area develops, including the reservation of a site for a possible urban school. Based on current projections, it was determined that the proposed residential density in the plan area will generate several hundred potential students. The provision for a school is required to include child care facilities, and child care facilities are also encouraged in all office buildings and/or mixed-use buildings. The Plan recommends the reservation of an approximately .80-acre site for a possible school. City Council and Alexandria City Public Schools (ACPS) will decide as part of a future action whether a future school is warranted or desirable at this location.

Entertainment uses will be important to locate in the area around the Metrorail station where there is a higher concentration of office uses. Entertainment uses extend the duration of activity on the street, contribute to improved safety and walkability, and maximize use of parking spaces. The Plan encourages entertainment uses in the Metro Square Neighborhood generally, and specifically recommends the provision of a performing arts theatre in the Metro Square Neighborhood.

The Plan recognizes the current and future need for uses such as day care, live performance theatre and other community facilities, and encourages these uses by recommending that their floor area not be deducted from the maximum allowable floor area. Public amenities, including community facilities, will be determined as part of subsequent DSUP processes.

H. Wastewater Management

Staff has analyzed the capacity of the existing sanitary sewer infrastructure that serves the North Potomac Yard area. Much of this infrastructure was recently constructed as part of the Potomac Yard/Potomac Greens CDD. The analysis included projected flows from the Potomac Yard CDD, projected redevelopment along the west side of Route 1, redirected wet weather flows from the Four Mile Run pump station and future separation of combined sewer flows. With these projected flows, the existing infrastructure is predicted to require additional capacity required in some locations. The applicant has analyzed these capacity needs and a condition of future rezoning will be to contribute funding, proportional to the contribution of flows, toward the necessary conveyance improvements.

Staff has also been evaluating the treatment capacity at the Alexandria Sanitation Authority treatment facility. While the City will likely need additional treatment capacity at the facility for final build-out growth projections (post 2040), sufficient treatment capacity is anticipated during the projected build-out for this project. Staff will continue to track the available treatment capacity and develop necessary improvements if needed throughout the phasing of this project.

III. NEW SMALL AREA PLAN POLICY FRAMEWORK

The North Potomac Yard Small Area Plan provides the framework for future rezoning and development permits in the plan area. Future applications will involve more detailed analysis and significant opportunity for community involvement. The Potomac Yard/Potomac Greens Small Area Plan and CDD #10 require development in a coordinated manner across the entire Yard. The North Potomac Yard Small Area Plan is proposed as a separate and new small area plan, and recommends the creation of a new CDD (see Figure VII). The North Potomac Yard Small Area Plan and subsequent CDD zoning will require continued coordination with the development of the rest of Potomac Yard. However, staff found the following reasons warrant the creation of a new Small Area Plan and CDD:

- The 69-acre size of the plan area;
- The level of development proposed on the site will constitute more than half of the total development for the entire Yard;
- The site is under separate and single ownership from the rest of Potomac Yard;
- The proposed new Metrorail station will involve a number of requirements specific to the developer; and
- Requirements for coordinated development with the remainder of the Yard will continue to be goals of the new SAP and CDD.



Figure VII: Potomac Yard/Potomac Greens Small Area Plan and North Potomac Yard Small Area Plan

Following the approval of the North Potomac Yard Small Area Plan, subsequent amendments to the Potomac Yard/Potomac Greens Small Area Plan will be necessary and require City Council approval. Most of the amendments are necessary to remove references and recommendations specific to North Potomac Yard, and to maintain consistency and coordination with the new North Potomac Yard Small Area Plan.

IV. STAFF RECOMMENDATION

Staff recommends approval of the amendments to the Master Plan to create the North Potomac Yard Small Area Plan.

STAFF:

Mark Jinks, Deputy City Manager;
Faroll Hamer, Director, Planning and Zoning;
Jeffrey Farner, Deputy Director, Planning and Zoning;
Helen McIlvaine, Deputy Director, Office of Housing;
Emily Baker, City Engineer, Transportation and Environmental Services;
Sandra Marks, Principal Planner, Transportation and Environmental Services;
Valerie Peterson, Principal Planner; and
Claire Gron, Urban Planner.

ATTACHMENTS: The following attachments can be found on the City's website at <http://alexandriava.gov/PotomacYardPlan> :

Letter from the Potomac Yard Planning Advisory Group (PYPAG), dated April 22, 2010
North Potomac Yard Small Area Plan
Community Comments
Potomac Yard Metrorail Station Concept Development Study, dated February 3, 2010
Potomac Yard Multimodal Transportation Study, dated December 2009
Retail Market Feasibility Study for Planned Retail Developments at Potomac Yard, dated
October 28, 2008
Draft North Potomac Yard Urban Design Standards and Guidelines
The Mayors' Institute on City Design (MICD) Alumni Technical Assistance Program
Final Report, dated June 29-30, 2009

RESOLUTION NO. **MPA 2010-0002**

WHEREAS, under the Provisions of Section 9.05 of the City Charter, the Planning Commission may adopt amendments to the Master Plan of the City of Alexandria and submit to the City Council such revisions in said plans as changing conditions may make necessary; and

WHEREAS, the City initiated an extensive community participation process to establish a shared vision and direction for the future development and enhancement of North Potomac Yard; and

WHEREAS, the community planning process culminated in the development of the North Potomac Yard Small Area Plan that represents a comprehensive approach to guide and manage the future development in the North Potomac Yard area; and

WHEREAS, a duly advertised public hearing on the proposed amendment was held on May 4, 2010 with all public testimony and written comment considered; and

WHEREAS, the Planning Commission finds that:

1. The proposed amendment is necessary and desirable to guide and accomplish the coordinated, adjusted and harmonious development of North Potomac Yard; and
2. The proposed amendment is generally consistent with the overall goals and objectives of the 1992 Master Plan; and
3. The proposed amendments show the Planning Commission's long-range recommendations for the general development of the North Potomac Yard Small Area Plan; and
4. Based on the foregoing findings and all other facts and circumstances of which the Planning Commission may properly take notice in making and adopting a master plan for the City of Alexandria, adoption of this amendment to the 1992 Master Plan will, in accordance with present and probable future needs and resources, best promote the health, safety, morals, order, convenience, prosperity and general welfare of the residents of the City;

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Alexandria that:

1. The North Potomac Yard Small Area Plan is hereby adopted in its entirety as an amendment to the 1992 Master Plan of the City of Alexandria, Virginia in accordance with Section 9.05 of the Charter of the City of Alexandria, Virginia.
2. This resolution shall be signed by the Chairman of the Planning Commission and attested by its secretary, and a true copy of this resolution forwarded and certified to the City Council.

RESOLUTION NO. **MPA 2010-0002**

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ADOPTED the 4th day of May, 2010.

John Komoroske, Chairman
Alexandria Planning Commission

ATTEST:

Faroll Hamer, Secretary